

House File 2304 - Introduced

HOUSE FILE 2304

BY HALL

A BILL FOR

- 1 An Act relating to the property tax credit or rent
- 2 reimbursement for elderly, disabled, and low-income persons
- 3 and including applicability provisions.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 425.23, subsection 1, paragraph a, Code
2 2014, is amended by striking the paragraph and inserting in
3 lieu thereof the following:

4 a. (1) The tentative credit or reimbursement for a claimant
5 described in section 425.17, subsection 2, paragraph "a",
6 subparagraph (1), that is a single-person household, shall be
7 determined in accordance with the following schedule:

8		Percent of property taxes
9		due or rent constituting
10		property taxes paid
11	If the household	allowed as a credit or
12	income is:	reimbursement:
13	\$ 0 — 26,499.99	100%
14	26,500 — 27,999.99	85
15	28,000 — 29,499.99	70
16	29,500 — 30,499.99	55
17	30,500 — 31,999.99	40
18	32,000 — 33,499.99	25

19 (2) The tentative credit or reimbursement for a claimant
20 described in section 425.17, subsection 2, paragraph "a",
21 subparagraph (1), that is part of a household consisting of
22 the claimant and the claimant's spouse, shall be determined in
23 accordance with the following schedule:

24		Percent of property taxes
25		due or rent constituting
26		property taxes paid
27	If the household	allowed as a credit or
28	income is:	reimbursement:
29	\$ 0 — 30,999.99	100%
30	31,000 — 32,699.99	85
31	32,700 — 34,499.99	70
32	34,500 — 35,999.99	55
33	36,000 — 37,699.99	40
34	37,700 — 39,499.99	25

35 Sec. 2. Section 425.23, subsection 1, paragraph b,

1 subparagraphs (1) and (2), Code 2014, are amended by striking
2 the subparagraphs and inserting in lieu thereof the following:

3 (1) (a) If the amount appropriated under section 425.40
4 plus any supplemental appropriation made for a fiscal year
5 for purposes of this paragraph "b" is at least twenty-seven
6 million dollars, the tentative credit or reimbursement for a
7 claimant that is a single-person household shall be determined
8 in accordance with the following schedule:

9		Percent of property taxes
10		due or rent constituting
11		property taxes paid
12	If the household	allowed as a credit or
13	income is:	reimbursement:

14	\$ 0 — 26,499.99	.....	100%
15	26,500 — 27,999.99	.....	85
16	28,000 — 29,499.99	.....	70
17	29,500 — 30,499.99	.....	55
18	30,500 — 31,999.99	.....	40
19	32,000 — 33,499.99	.....	25

20 (b) If the amount appropriated under section 425.40 plus
21 any supplemental appropriation made for a fiscal year for
22 purposes of this paragraph "b" is at least twenty-seven million
23 dollars, the tentative credit or reimbursement for a claimant
24 that is part of a household consisting of the claimant and the
25 claimant's spouse shall be determined in accordance with the
26 following schedule:

27		Percent of property taxes
28		due or rent constituting
29		property taxes paid
30	If the household	allowed as a credit or
31	income is:	reimbursement:

32	\$ 0 — 30,999.99	.....	100%
33	31,000 — 32,699.99	.....	85
34	32,700 — 34,499.99	.....	70
35	34,500 — 35,999.99	.....	55

1 36,000 — 37,699.99 40

2 37,700 — 39,499.99 25

3 (2) (a) If the amount appropriated under section 425.40
4 plus any supplemental appropriation made for a fiscal year
5 for purposes of this paragraph "b" is less than twenty-seven
6 million dollars, the tentative credit or reimbursement for a
7 claimant that is a single-person household shall be determined
8 in accordance with the following schedule:

9 Percent of property taxes
10 due or rent constituting
11 property taxes paid
12 If the household allowed as a credit or
13 income is: reimbursement:

14 \$ 0 — 26,499.99 50%

15 26,500 — 27,999.99 42

16 28,000 — 29,499.99 35

17 29,500 — 30,499.99 27

18 30,500 — 31,999.99 20

19 32,000 — 33,499.99 12

20 (b) If the amount appropriated under section 425.40 plus any
21 supplemental appropriation made for a fiscal year for purposes
22 of this lettered paragraph is less than twenty-seven million
23 dollars, the tentative credit or reimbursement for a claimant
24 that is part of a household consisting of the claimant and the
25 claimant's spouse shall be determined in accordance with the
26 following schedule:

27 Percent of property taxes
28 due or rent constituting
29 property taxes paid
30 If the household allowed as a credit or
31 income is: reimbursement:

32 \$ 0 — 30,999.99 50%

33 31,000 — 32,699.99 42

34 32,700 — 34,499.99 35

35 34,500 — 35,999.99 27

1 36,000 — 37,699.99 20

2 37,700 — 39,499.99 12

3 Sec. 3. Section 425.23, subsection 3, paragraph a, Code
4 2014, is amended to read as follows:

5 a. In addition to a claim for property taxes due, claimants
6 who have an unpaid special assessment levied against the
7 homestead may be eligible for a special assessment credit.
8 A person who is eligible to file a claim as a single-person
9 household for credit for property taxes due, and who has a
10 household income of ~~eight thousand five hundred dollars or~~
11 less than twenty-six thousand five hundred dollars, and who
12 has an unpaid special assessment levied against the homestead
13 may file a claim for a special assessment credit with the
14 county treasurer. A person who is eligible to file a claim
15 for the person and the person's spouse for credit for property
16 taxes due, who has a household income of less than thirty-one
17 thousand dollars, and who has an unpaid special assessment
18 levied against the homestead may file a claim for a special
19 assessment credit with the county treasurer. The department
20 shall provide to the respective treasurers the forms necessary
21 for the administration of this subsection. The claim shall
22 be filed not later than September 30 of each year. Upon the
23 filing of the claim, interest for late payment shall not accrue
24 against the amount of the unpaid special assessment due and
25 payable. The claim filed by the claimant constitutes a claim
26 for credit of an amount equal to the actual amount due upon the
27 unpaid special assessment, plus interest, payable during the
28 fiscal year for which the claim is filed against the homestead
29 of the claimant. However, ~~where~~ if the claimant is an
30 individual described in section 425.17, subsection 2, paragraph
31 "a", subparagraph (2), who is claiming as a single-person
32 household, who has a household income of less than twenty-six
33 thousand five hundred dollars, and the tentative credit is
34 determined according to the schedule in subsection 1, paragraph
35 "b", subparagraph (2), of this section, the claim filed

1 constitutes a claim for credit of an amount equal to one-half
 2 of the actual amount due and payable during the fiscal year.
 3 If the claimant is an individual described in section 425.17,
 4 subsection 2, paragraph "a", subparagraph (2), who is claiming
 5 on behalf of the individual and the individual's spouse,
 6 who has a household income of less than thirty-one thousand
 7 dollars, and the tentative credit is determined according to
 8 the schedule in subsection 1, paragraph "b", subparagraph (2),
 9 of this section, the claim filed constitutes a claim for credit
 10 of an amount equal to one-half of the actual amount due and
 11 payable during the fiscal year. The treasurer shall certify to
 12 the director of revenue not later than October 15 of each year
 13 the total amount of dollars due for claims allowed. The amount
 14 of reimbursement due each county shall be certified by the
 15 director of revenue and paid by the director of the department
 16 of administrative services by November 15 of each year, drawn
 17 upon warrants payable to the respective treasurer. There is
 18 appropriated annually from the general fund of the state to the
 19 department of revenue an amount sufficient to carry out the
 20 provisions of this subsection. The treasurer shall credit any
 21 moneys received from the department against the amount of the
 22 unpaid special assessment due and payable on the homestead of
 23 the claimant.

24 Sec. 4. Section 425.23, subsection 4, Code 2014, is amended
 25 to read as follows:

26 4. a. For the base year beginning in the ~~1999~~ 2015 calendar
 27 year and for each subsequent base year, the dollar amounts
 28 set forth in subsections 1 and 3 shall be multiplied by the
 29 cumulative adjustment factor for that base year. "*Cumulative*
 30 *adjustment factor*" means the product of the annual adjustment
 31 factor for the ~~1998~~ 2014 base year and all annual adjustment
 32 factors for subsequent base years. The cumulative adjustment
 33 factor applies to the base year beginning in the calendar
 34 year for which the latest annual adjustment factor has been
 35 determined.

1 property taxes paid or rent constituting property taxes paid
2 ranging from 25 percent to 100 percent determined by income
3 thresholds ranging from \$0 to \$16,499.99. Since 1999, those
4 income thresholds have been indexed for inflation.

5 This bill establishes new elderly and disabled credit amount
6 schedules for claimants based in part on whether they are a
7 single-person household or married. In addition, the bill
8 increases the income thresholds for the credit amounts. For
9 a claimant who is a single-person household, the credit is a
10 percentage of property taxes paid or rent constituting property
11 taxes paid ranging from 25 percent to 100 percent determined by
12 income thresholds ranging from \$0 to \$33,499.99. For claimants
13 who are married, the credit is a percentage of property taxes
14 paid or rent constituting property taxes paid ranging from 25
15 percent to 100 percent determined by income thresholds ranging
16 from \$0 to \$39,499.99.

17 Current Code chapter 425 also establishes a similar property
18 tax credit or reimbursement for rent constituting property
19 taxes paid for persons who are 23 years or older or who are
20 a head of household, but who have not attained the age of 65
21 or incurred the requisite disability status. The provision
22 of these credits is triggered by an appropriation to and
23 payment from the low-income tax credit and reimbursement fund
24 established in Code section 425.40. An appropriation to this
25 fund has not occurred since the fund's creation.

26 The bill makes similar changes to the credit schedules and
27 eligibility for the credits and reimbursement specified by law
28 to be paid from the low-income tax credit and reimbursement
29 fund under Code section 425.40.

30 The bill provides for an inflationary adjustment to the new
31 income threshold amounts established in the bill.

32 As a result of modifying the income threshold amounts, the
33 bill makes corresponding changes to the income limitation
34 eligibility for filing a claim for a special assessment credit
35 under Code section 425.23(3).

H.F. 2304

1 The bill applies to claims for credit for property taxes due
2 and payable in fiscal years beginning on or after July 1, 2015,
3 and to claims for reimbursement for rent constituting property
4 taxes paid for base years beginning on or after January 1,
5 2014.